

House Amendment 1650

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1 1 Amend Senate File 414, as amended, passed, and
1 2 reprinted by the Senate, as follows:
1 3 #1. By striking everything after the enacting
1 4 clause and inserting the following:
1 5 <Section 1. NEW SECTION. 99B.7B CARD GAME
1 6 TOURNAMENTS CONDUCTED BY QUALIFIED ORGANIZATIONS
1 7 REPRESENTING VETERANS.
1 8 1. As used in this section, unless the context
1 9 otherwise requires:
1 10 a. "Card game" means only poker, pinochle, pitch,
1 11 gin rummy, bridge, euchre, hearts, or cribbage.
1 12 b. "Qualified organization representing veterans"
1 13 means any licensed organization representing veterans,
1 14 which is a post, branch, or chapter of a national
1 15 association of veterans of the armed forces of the
1 16 United States which is a federally chartered
1 17 corporation, dedicates the net receipts of a game of
1 18 skill, game of chance, or raffle as provided in
1 19 section 99B.7, is exempt from federal income taxes
1 20 under section 501(c)(19) of the Internal Revenue Code
1 21 as defined in section 422.3, has an active membership
1 22 of not less than twelve persons, and does not have a
1 23 self-perpetuating governing body and officers.
1 24 2. Notwithstanding any provision of this chapter
1 25 to the contrary, card game tournaments lawfully may be
1 26 conducted by a qualified organization representing
1 27 veterans if all of the following are complied with:
1 28 a. The organization conducting the card game
1 29 tournament has been issued a license pursuant to
1 30 subsection 4 and prominently displays that license in
1 31 the playing area of the card game tournament.
1 32 b. The card games to be conducted during a card
1 33 game tournament, including the rules of each card game
1 34 and how winners are determined, shall be displayed
1 35 prominently in the playing area of the card game
1 36 tournament. Each card game shall be conducted in a
1 37 fair and honest manner and shall not be operated on a
1 38 build-up or pyramid basis. Every participant in a
1 39 card game tournament must be given the same chances of
1 40 winning the tournament and shall not be allowed any
1 41 second chance entries or multiple entries in the card
1 42 game tournament.
1 43 c. Participation in a card game tournament
1 44 conducted by a qualified organization representing
1 45 veterans shall only be open to members of the
1 46 qualified organization representing veterans and
1 47 guests of members of the qualified organization
1 48 participating in the tournament. The cost to
1 49 participate in a card game tournament shall be limited
1 50 to one hundred dollars and shall be the same for every
2 1 participant in the card game tournament. Participants
2 2 in a card game tournament shall be at least twenty-one
2 3 years of age.
2 4 d. Cash or merchandise prizes may be awarded
2 5 during a card game tournament and shall not exceed one
2 6 thousand dollars and no participant shall win more
2 7 than a total of five hundred dollars. A qualified
2 8 organization representing veterans shall distribute
2 9 amounts awarded as prizes on the day they are won and
2 10 merchandise prizes shall not be repurchased. An
2 11 organization conducting a card game tournament shall
2 12 only display prizes in the playing area of the card
2 13 game tournament that can be won.
2 14 e. The qualified organization representing
2 15 veterans shall conduct each card game tournament and
2 16 any card game conducted during the tournament and
2 17 shall not contract with or permit another person to
2 18 conduct the card game tournament or any card game
2 19 during the tournament.
2 20 f. No person receives or has any fixed or
2 21 contingent right to receive, directly or indirectly,
2 22 any profit, remuneration, or compensation from or
2 23 related to a game in a card game tournament, except
2 24 any amount which the person may win as a participant

2 25 on the same basis as the other participants.
2 26 g. A qualified organization representing veterans
2 27 licensed under this section shall not hold more than
2 28 one card game tournament per week. Card game
2 29 tournaments held under an annual game night license
2 30 shall not count toward the limit of one card game
2 31 tournament per week for a license holder. A qualified
2 32 organization representing veterans shall be allowed to
2 33 hold only one card game tournament during any
2 34 twenty-four-hour period.
2 35 h. At the conclusion of each card game tournament,
2 36 the person conducting the card game tournament shall
2 37 announce the gross receipts received, the total amount
2 38 of money withheld for expenses, and the amount
2 39 withheld for state taxes.
2 40 i. The person conducting the card game tournament
2 41 does none of the following:
2 42 (1) Hold, currently, another license issued under
2 43 this section.
2 44 (2) Own or control, directly or indirectly, any
2 45 class of stock of another person who has been issued a
2 46 license to conduct games under this section.
2 47 (3) Have, directly or indirectly, an interest in
2 48 the ownership or profits of another person who has
2 49 been issued a license to conduct games under this
2 50 section.
3 1 3. The qualified organization representing
3 2 veterans licensed to hold card game tournaments under
3 3 this section shall keep a journal of all dates of
3 4 events, amount of gross receipts, amount given out as
3 5 prizes, expenses, amount collected for taxes, and the
3 6 amount collected as revenue.
3 7 a. The amount collected by the qualified
3 8 organization representing veterans as revenue shall be
3 9 no less than ten percent of the gross receipts
3 10 collected from each event.
3 11 b. Each qualified organization representing
3 12 veterans shall withhold that portion of the gross
3 13 receipts subject to taxation pursuant to section
3 14 423.2, subsection 4, which shall be kept in a separate
3 15 account and sent to the state along with the
3 16 organization's quarterly report.
3 17 c. A qualified organization representing veterans
3 18 licensed to conduct card game tournaments is allowed
3 19 to withhold no more than five percent of the gross
3 20 receipts from each card game tournament for qualified
3 21 expenses. Qualified expenses include but are not
3 22 limited to the purchase of supplies and materials used
3 23 in conducting card games. Any money collected for
3 24 expenses and not used by the end of the calendar year
3 25 shall be donated for educational, civic, public,
3 26 charitable, patriotic, or religious uses as described
3 27 in section 99B.7, subsection 3, paragraph "b". The
3 28 qualified organization representing veterans shall
3 29 attach a receipt for any donation made to the fourth
3 30 quarter quarterly report required to be submitted
3 31 pursuant to section 99B.2.
3 32 d. Each qualified organization representing
3 33 veterans licensed under this section shall make
3 34 recordkeeping and all deposit receipts available as
3 35 provided in section 99B.2, subsection 2.
3 36 4. An organization wishing to conduct card game
3 37 tournaments pursuant to this section as a qualified
3 38 organization representing veterans shall submit an
3 39 application and annual license fee of one hundred
3 40 dollars to the department.
3 41 Sec. 2. Section 99B.9, subsection 1, unnumbered
3 42 paragraph 1, Code 2007, is amended to read as follows:
3 43 Except as otherwise permitted by section 99B.3,
3 44 99B.5, 99B.6, 99B.7, 99B.7B, 99B.8, 99B.11, or
3 45 99B.12A, it is unlawful to permit gambling on any
3 46 premises owned, leased, rented, or otherwise occupied
3 47 by a person other than a government, governmental
3 48 agency, or governmental subdivision, unless all of the
3 49 following are complied with:
3 50 Sec. 3. Section 99B.12, subsection 1, unnumbered
4 1 paragraph 1, Code 2007, is amended to read as follows:
4 2 Except in instances where because of the location
4 3 of the game or the circumstances of the game section
4 4 99B.3, section 99B.5, section 99B.6, section 99B.7,
4 5 section 99B.7B, section 99B.8, or section 99B.9 is

4 6 applicable, individuals may participate in gambling
4 7 specified in subsection 2, but only if all of the
4 8 following are complied with:
4 9 Sec. 4. Section 423.2, subsection 4, Code 2007, is
4 10 amended to read as follows:
4 11 4. A tax of five percent is imposed upon the sales
4 12 price derived from the operation of all forms of
4 13 amusement devices and games of skill, games of chance,
4 14 raffles, and bingo games as defined in chapter 99B,
4 15 and card game tournaments conducted under section
4 16 99B.7B, that are operated or conducted within the
4 17 state, the tax to be collected from the operator in
4 18 the same manner as for the collection of taxes upon
4 19 the sales price of tickets or admission as provided in
4 20 this section. Nothing in this subsection shall
4 21 legalize any games of skill or chance or slot-operated
4 22 devices which are now prohibited by law.
4 23 The tax imposed under this subsection covers the
4 24 total amount from the operation of games of skill,
4 25 games of chance, raffles, and bingo games as defined
4 26 in chapter 99B, card game tournaments conducted under
4 27 section 99B.7B, and musical devices, weighing
4 28 machines, shooting galleries, billiard and pool
4 29 tables, bowling alleys, pinball machines,
4 30 slot-operated devices selling merchandise not subject
4 31 to the general sales taxes and on the total amount
4 32 from devices or systems where prizes are in any manner
4 33 awarded to patrons and upon the receipts from fees
4 34 charged for participation in any game or other form of
4 35 amusement, and generally upon the sales price from any
4 36 source of amusement operated for profit, not specified
4 37 in this section, and upon the sales price from which
4 38 tax is not collected for tickets or admission, but tax
4 39 shall not be imposed upon any activity exempt from
4 40 sales tax under section 423.3, subsection 78. Every
4 41 person receiving any sales price from the sources
4 42 described in this section is subject to all provisions
4 43 of this subchapter relating to retail sales tax and
4 44 other provisions of this chapter as applicable.>
4 45 #2. Title page, by striking lines 2 through 4 and
4 46 inserting the following: <game tournaments by
4 47 organizations representing veterans.>
4 48 #3. By renumbering as necessary.
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5 3 SF 414.502 82
5 4 ec/je/8773